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Municipalities building a  
stable insurance future.

## MINUTES

### Joint Committee on Plan Structure and Design November 3, 2011 - Noon Old Jail Conference Room

APPROVED

#### ***Present:***

#### ***Municipal Representatives: 7 members***

Betty Conger, Village of Groton; Schelley Michell Nunn, City of Ithaca; Judy Drake, Town of Ithaca; Mary Mills, Village of Cayuga Heights; Herb Masser, Town of Enfield; Laura Shawley, Town of Danby; Don Barber, Town of Caroline

#### ***Municipal Representatives via Proxy: 1 member***

B. Jobin, Tompkins County

#### ***Union Representatives: 6 unit members***

Bradley Berggren, Town of Danby Highway; Michael Thomas, City of Ithaca Admin. Unit – CSEA 1000; George Apgar, President; Ithaca Professional Fire Fighters Assoc. and Ithaca Area Fire Fighters #73; Chantalise DeMarco, County White Collar-CSEA; Jim Bower, Bolton Point

#### ***Union Representatives via Proxy: 2 members***

Chris Parker, Tompkins County Blue Collar Unit; Patricia VandeBogart, TC3 Staff Unit;

#### ***Others in attendance:***

J. Taber, Locey & Cahill; S. Dovi, TC3

#### **Call to Order**

Ms. DeMarco called the meeting to order at 12:05 p.m.

#### **Approval of Minutes of October 13, 2011**

Due to lack of quorum, approval of minutes was deferred to the next meeting.

#### **Report from Locey and Cahill**

Ms. Taber reported they have been busy working on rates and she expects to have them ready soon.

#### **Review of Responses to EAP and Flex Program Survey**

Ms. Taber distributed an updated spreadsheet of responses to the EAP and Flex Program Survey. She said Mr. Locey feels the Consortium should consider offering these programs instead of each individual municipality. Ms. DeMarco said she is interested in hearing from the smaller municipalities on who doesn't offer these currently and whether they would be interested in offering these programs to employees. There was consensus the

Committee would like more information about and would also like to hear from those who currently have these programs. Ms. Nunn said the EAP service that is currently available to City employees is only available from 9 a.m. to 4:30 p.m. and it may be worthwhile to look all available options. Ms. DeMarco said if the Consortium decided to move forward with this a Request for Proposals would be issued.

Ms. Taber said this Committee should have a discussion of benefits and what components are included in the administrative fee. There can also be a discussion of what components members would like to have explored. Ms. DeMarco said with regard to the Flex Spending she would like to know how many have debit card offerings.

#### Update on RFP for Prescription Drug Manager

Ms. Taber reported interviews with the finalists are scheduled for next week. Members of the Review Committee include Chantalise DeMarco/George Apgar, Brooke Jobin, Judy Drake, Jackie Kippola, Sharon Dovi, and Steve Locey.

#### Update on Contract Count Information

Ms. Taber distributed information on covered lives per group. There is currently a total of 2,003 covered lives.

#### **Medicare Supplement Plans**

Ms. Taber distributed a memorandum from Mr. Locey in response to a request to provide information and analysis on the impact of Medicare Supplement Plans on the Consortium and individual municipalities. She noted the following points:

1. Mr. Locey believes the Consortium is set up in the most efficient way to manage the medical expenses of the people involved, and
2. In essence, the Consortium is a community-rated entity with everyone sharing the costs together. The premium variances are applied to benefit differences, which exist in areas such as prescription drug co-pays and deductibles.

Ms. Taber said when you look a pulling out a segment of the population you have to look at what impact that would present to the other members of the Consortium. In order to figure out what the impact of a Medicare supplement plan would be there would need to be a look taken at what the costs of the 65+ population are currently to the Consortium. She said the benefits offered to retirees through the Consortium are better than what they would get as a Medicare stand-alone product.

With regard to demographic information, Ms. Taber said Mr. Locey was unable to pull out whether the 65+ population is retired or not and that would make a big difference. If retired, Medicare would be their primary carrier and that would impact the overall cost; if they are still active employees, the Consortium is the primary and would absorb more of the costs than if they were retired.

There was discussion of when Medicare becomes primary with a question raised which is primary in cases where employees are over 65 and still working. Ms. DeMarco said she believes that the CSEA contract states that once an employee became age 65 and is still working that Medicare is primary. She said the only way Medicare would not be primary would be in the event of an on-the-job injury. Ms. Taber said according to the rules she is aware of, unless the employer has less than 25 employees or an employee has end-stage renal disease, Medicare is secondary. Following a brief discussion and some confusion over when

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Medicare became primary, *Ms. Taber said she will follow-up with Mr. Locey on this.* Mr. Masser asked if people who are disabled are reflected. Ms. Taber said Mr. Locey asked Excellus for the information but was unable to receive a breakdown showing that number.

The Committee reviewed the information on 2011 claims paid as of September 2011. She stated with regard to medical claims, the Medicare-aged population is costing the Consortium approximately \$200 per month, whereas, the average cost of the Consortium per member per month is \$465. If the Medicare population were pulled out from the difference in premium (\$265) would be spread out amongst the other members. Ms. DeMarco also noted it would be a diminished benefit.

Ms. Drake said the \$200 premium reflects medical only and asked what the prescription rate would be. Ms. Taber said it would be same as the other members. She also noted approval by the State would be needed for a Medicare supplement plan.

### **New Business**

There was no new business.

### **Adjournment**

The meeting adjourned at 12:55 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

## MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium  
Joint Committee on Plan Structure and Design  
October 13, 2011 - Noon  
Old Jail Conference Room**

***Present:***

***Municipal Representatives: 10 members***

Judy Drake, Town of Ithaca; B. Jobin, Tompkins County; M. Sumner, Town of Dryden; M. Mills, Village of Cayuga Heights; H. Masser, Town of Enfield; L. Shawley, Town of Danby; M. Petrovic, Village of Trumansburg; B. Conger, Village of Groton; Schelley Michell Nunn and Steve Thayer, City of Ithaca; Don Barber, Town of Caroline

***Union Representatives: 5 unit members***

Chantalise DeMarco, County White Collar-CSEA; Jim Bower, Bolton Point; B. Berggren, Town of Danby Highway (CSEA); Darlene Finn, TC3 Professional Admin. Assoc. Unit; Chris Parker, Tompkins County Blue Collar Unit

***Union Representatives via Proxy: 4 members***

George Apgar, President; Ithaca Professional Fire Fighters Assoc. and Ithaca Area Fire Fighters #737; Patricia VandeBogart, TC3 Staff Unit; John Lictra, Town of Ithaca Teamsters

***Others in attendance:***

J. Taber, Locey & Cahill

**Call to Order**

Ms. DeMarco called the meeting to order at 12:10 p.m.

**Update on Census Data**

Ms. Taber distributed updated contract count data broken down by group and noted there are still changes that need to be made to the document. She noted Newfield is still listed but is not a member of the Consortium; the Towns of Danby and Cayuga Heights were also missing from the document. She said Mr. Locey is working with Excellus on getting the reporting system updated to provide more accurate counts. She stated the actual number of contracts is approximately 2,063. *Mr. Locey will provide an update once information is available.*

Members reviewed the information and questioned which groups related to the subscriber numbers listed. *Ms. Sumner asked that the numbers be broken down and identified as to which municipality each is associated with.* Joint Committee on Plan Structure and Design October 3, 2011 2

**Review of Responses from the Flex Program and EAP Survey**

Ms. Taber distributed a document showing results of the survey of which municipalities offer a Flexible Spending Account program or an Employee Assistance Program. She said at this time there has not been a good enough response rate to accurately analyze the information. *The survey will be re-circulated to members and an update will be provided at the next meeting.* She said Mr. Locey thinks it may make sense to offer this globally to the Consortium.

**Report on RFP for Prescription Drug Benefit Manager**

Ms. Taber stated there have been six responses to the Request for Proposals for Prescription Drug Benefit Manager. Those responders include Medco, Pro Act, United Health Care, Independent Health Care (Informed Rx), Express Scripts, and Excellus. She said they followed up with a couple of the responders to obtain additional data. The RFP review Committee will meet next week to go over responses. *Updates will continue to be provided on this process.*

**Update on Utilization Data**

Ms. Taber distributed utilization data and said at this time the budget looks good with actual versus budgeted costs. The Consortium's actual budget is within 1% of the budgeted claims cost. It was noted there were spikes in claims during the months of April and August. *She will ask Mr. Locey if he is aware of any single reason for these spikes.*

**Discussion of Medicare Supplement**

Ms. Taber said Mr. Locey has indicated that the cost of a Medicare supplement policy for medical only would about \$200/month. This would only be for retirees who are eligible for Medicare and would have to have Medicare coverage.

Ms. Drake asked if by doing this as medical only would the assumption be that they would pick up the Part D on their own. Ms. Taber said that would be a decision the Consortium would have to make. She said a Medicare supplemental policy generally subsidizes the balance left after Medicare Part A and B which includes the deductible and 20% co-insurance for those items that are paid at 80%. She also said one of the biggest costs for retirees is for prescription drugs.

Mr. Barber said he had a conversation with Mr. Locey about these premiums and said the new retirees on Medicare were figured in the original premiums for the Consortium. Therefore, if premiums were reduced for a supplement plan without changing any benefits, the difference would be made up in the rates of others. He said Mr. Locey would need to address the question of what the impact would be on the current population if a Medicare supplement was offered. He also said there needs to be consideration given to the question of if benefits were changed for retirees how that would be done to allow them to realize a real savings.

Ms. Sumner asked how many retirees over 65 are in the Consortium. *Ms. Taber said she will ask Mr. Locey to report back on this.* Mr. Masser asked if individuals under 65 who are disabled would be eligible. Ms. Taber said they would be eligible but noted there is a two- year waiting period where the individual would have to be without coverage before they would be able to go on Medicare. Mr. Barber said a question for Mr. Locey is if the Consortium were to manipulate the retirees for that population how would this affect the others on the current plan

a supplement was offered. Mr. Barber said they should also see if an estimate can be made on how many fall into the under 65 disabled population.

There was a brief discussion of the timeline and when a decision would need to be made with it being noted that the State Insurance Department typically needs to approve any plan changes.

Ms. Taber summarized the following questions that need to be answered:

- What impact on current plans if a supplemental policy is offered;
- The number of retirees and how many would be eligible;
- How many disabled would be eligible who are currently under contract that would switch;
- Would there be any changes to benefit levels;

Ms. Drake suggested finding out if and how many retirees would be interested in this type of plan if it were offered.

**New Business**

There was no new business.

**Approval of Minutes of August 4 and September 1, 2011**

It was MOVED by Ms. Mills, seconded by Ms. Conger, and unanimously adopted by voice vote by members present, to approve the minutes of August 4 and September 1, 2011 as presented. MINUTES APPROVED.

**Adjournment**

On motion the meeting adjourned at 12:53 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk